



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill #	SB0042	Title:	Revise economic development programs
Primary Sponsor:	Brueggeman, John	Status:	Third Reading

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2008</u> <u>Difference</u>	<u>FY 2009</u> <u>Difference</u>	<u>FY 2010</u> <u>Difference</u>	<u>FY 2011</u> <u>Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$6,065,000
State Special Revenue	\$0	\$0	\$0	\$3,650,000
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$3,650,000
Net Impact-General Fund Balance	\$0	\$0	\$0	(\$6,065,000)

Description of Fiscal Impact:

This bill repeals the termination date for the funding of the cooperative development center and the growth through agriculture program under 15-35-108(8)(b), MCA, in the Department of Agriculture and various economic development appropriations in the Department of Commerce.

FISCAL ANALYSIS

Assumptions:

1. The bills effective date is October 1, 2007.
2. 15-35-108 (Temporary), MCA, will not terminate on June 30, 2010.
3. 15-35-108 (Effective July 1, 2010), MCA, will not become effective on July 1, 2010.
4. 15-38-108(8)(b), MCA, the interest income from \$140 million of the coal severance tax permanent fund that is deposited in the general fund will continue to be statutorily appropriated for the following:

Department of Agriculture (AGR)

5. The Growth Through Agriculture program provided for in Title 90, Chapter 9, will continue to receive \$1.25 million.

6. The \$1.25 million allocated from the general fund is statutorily appropriated to the Montana Department of Agriculture for the Growth Through Agriculture program which is located in the Agricultural Development Division.
7. The budget allocated in FY 2009 will be carried into FY 2011.
8. Personal services include three full-time business specialists (3.00 FTE), one full-time administrative support position (1.00 FTE), and one position (1.00 FTE) specifically for interns during the summer months.
9. Of the \$241,731 in operating expenses, \$91,151 will be available for loans to agricultural producers. The \$65,000 appropriation will continue to be distributed to the Montana Cooperative Development Center.
10. Grants to producers for Growth Through Agricultural projects total \$826,000.
11. No inflation factor has been applied to FY 2011.

Department of Commerce (DOC)

12. \$3.65 million is transferred to a state special revenue account for research and commercialization. This account is statutorily appropriated.
13. There are 6.00 FTE currently funded in the Department of Commerce from the economic development funds that will continue in FY 2011 with this bill. This is shown, along with expenditures for funding these FTE, in the fiscal impact table in FY 2011. Other expenditures are shown in operating expenses though expenditures may be incurred in other categories.
14. The DOC transfers the \$200,000 for the Montana Manufacturing Extension Center to the Montana State University-Bozeman.

<u>DOC's Statutory Appropriation</u>	<u>Amount</u>
Research & Commercialization	\$3,650,000
Small Business Development Center	\$125,000
Small Business Innovation Research	\$50,000
Certified Regional Development	\$425,000
Manufacturing Extension Center	\$200,000
Export Trade Enhancement	\$300,000
Total:	<u>\$4,750,000</u>

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
<u>Fiscal Impact:</u>				
Department of Agriculture				
FTE	0.00	0.00	0.00	5.00
<u>Expenditures:</u>				
Personal Services	\$0	\$0	\$0	\$247,269
Operating Expenses	\$0	\$0	\$0	\$241,731
Grants	\$0	\$0	\$0	\$826,000
TOTAL Expenditures	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,315,000</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$1,315,000
Department of Commerce				
FTE	0.00	0.00	0.00	6.00
<u>Expenditures:</u>				
Personal Services	\$0	\$0	\$0	\$332,500
Operating Expenses	\$0	\$0	\$0	\$3,992,500
Grants	\$0	\$0	\$0	\$425,000
Transfers	\$0	\$0	\$0	\$3,650,000
TOTAL Expenditures	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$8,400,000</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$4,750,000
State Special Revenue (02)	\$0	\$0	\$0	\$3,650,000
TOTAL Funding of Exp	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$8,400,000</u>
<u>Revenues:</u>				
State Special Revenue (02)	\$0	\$0	\$0	\$3,650,000
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	\$0	\$0	(\$6,065,000)
State Special Revenue (02)	\$0	\$0	\$0	\$0

Sponsor's Initials

Date

Budget Director's Initials

Date